

# PROSPECTS AND CHALLENGES OF WOMEN ENTREPRENEURSHIP: A STUDY OF THE WOMEN ENTREPRENEURS OF JAMMU AND KASHMIR

Zuhaib Mustafa

Research Scholar, Central University of Kashmir, India

Email: zuhaib\_mustafa@yahoo.com

## ABSTRACT

*The paper aims to bring out the prospects and challenges faced by the women entrepreneurs. The study was conducted in the state of Jammu and Kashmir using a structured questionnaire. The sample consisted of 60 women entrepreneurs located in the different parts of the state. The data collected was analysed using SPSS 16. The study also highlights many factors that motivated women to become entrepreneurs. The government schemes, incentives and subsidies have stimulated and provided support to women entrepreneurs in the state. Research from different countries has shown an expanding trend of women entrepreneurial activities. In spite of their significant role, the women entrepreneurs work in an unfavourable business environment characterised by corruption, infrastructural deficiencies, and financial problems. The finding also highlights that woman entrepreneurs are not given the same opportunities as their male counterparts, due to discriminatory socio-cultural norms which perceive them as wives and mothers. In spite of the various constraints affecting start up and growth of business, Jammu and Kashmir has witnessed a steady increase in the number of women entrepreneurs. The weak state of infrastructure of Jammu and Kashmir needs to be addressed and government initiative should be targeted towards women to help them cope with infrastructural deficiencies.*

**Keywords:** Challenges, Entrepreneurship, Jammu and Kashmir, Prospects, Motivation.

## INTRODUCTION

There is a growing interest in nurturing entrepreneurial activities because of the rising problems of unemployment in various countries around the world. Entrepreneurs not only change their employment status from unemployed to employed but also provide employment opportunities to hundreds of unemployed youth. The interest in entrepreneurship lies on the fact that entrepreneurship stimulates economic growth and Development (Naude, 2011). According to Entrepreneurship Indicator Programme (EIP), "Entrepreneurs are those persons (business owners) who seek to generate value, through the creation or expansion of

economic activity, by identifying and exploiting new products, processes or markets". The three essential requirements of an entrepreneur as defined by the EIP framework are enterprising human activity, value creation and innovation (Ahmad and Hoffman, 2008). The persons that have a direct control over the activities of an enterprise, by owning the totality or a significant share of the business and employ at least one other person are known as entrepreneurs. Entrepreneurs are said to have a strong influence on the sustainable development processes of both the developed and developing countries due to its role in poverty alleviation, employment creation and innovation.

The role of women within the entrepreneurial environment is of significant importance. The women entrepreneurship has to be studied separately for two reasons. The first being that women entrepreneurs have emerged as an untapped source of economic growth during the last decade. They not only create jobs for themselves and others but also provide society with different solutions to management, organisation and business problems as well as to the exploitation of entrepreneurial opportunities. However, they still represent a minority of all entrepreneurs as a result of which there exists a market failure discriminating against women's possibility to become successful entrepreneurs. This failure needs to be addressed by policy makers so that economic potential of this group is fully utilized. The second reason is that the topic of women entrepreneurship has been neglected both in society in general as well as the social sciences. The women not only have lower rate of participation in entrepreneurial activities than men but they also choose to start and manage firms in diverse industries than men tend to do (Duchenaud, 1997; Franco & Winquist, 2002; Reynolds & White, 1997). There is indication to advocate that women are key players in entrepreneurial activities and make significant contributions to the economic development of the nations around the world (Barringer & Ireland, 2010; Minitti et al., 2005). Due to their unique role, the field of women entrepreneurship has emerged as an important research area over the years both for the government as well as researchers in developed and developing countries giving it a great deal of attention (Brush and Gatewood, 2008; Carter et al., 2001; Carter et al., 2007; Carter & Marlow, 2006; McClelland et al., 2005; Minitti et al., 2004; Verheul et al., 2006).

## OBJECTIVES

1. To study the prospects and challenges faced by women entrepreneurs.
2. To study the motivational factors affecting women.

## LITERATURE REVIEW

The potential of women entrepreneurs has not been realized in an optimal fashion even though they have been recognized as an important source of economic growth and prosperity. Many studies have shown that women's engagement in entrepreneurial activities is due to low levels of employment and also the need to evade socio-cultural ideology which inhibits women from obtaining work. Entrepreneurial activities make women more independent and allows them effectively balance their roles of wives and mothers (Lincoln, 2012; Woldie & Asersua, 2004). As a result, developing women's entrepreneurial capacity would go in a long way in harnessing their capability to identify and capitalize on entrepreneurial opportunities within their environment and empower them economically and socially (Shane, 2003). The women's contribution is said to extent across various economic

spheres, extending to the wider process of social transformation in transition environments (Welter et al., 2006). A UNIDO report of 2001 stresses the wider social impact of women entrepreneurial activity not only to the women themselves but to the wider operating environment. Around one- third of all business in the formal sector are owned by women and they represent the majority of businesses in the informal sector (Aderemi et al., 2008; Bardasi et al., 2007).

The women entrepreneurs face several challenges in their business operations as shown by various studies from time to time (Kantor, 1999; Mattis, 2004; Nichter & Goldmark, 2009). The emphasis of research has been on women generally lacking the requisite human and external resources for starting and developing their own businesses ranging from financial constraints, government policies, infrastructure and technological factors, lack of assets, lack of information, competition, tax burdens, low level of education, work experience, motivation, socio cultural factors and family responsibilities, networking and access to training (Carter, 2000; Chen et al., 2002; DTI, 2005; Hisrich and Fulop, 1994; Kibanji and Munene, 2009; Marlow & Patton, 2005; Mordi et al., 2010; Rutashobya & Nchimbi, 1999; Verhuel and Thurik, 2006; Woldie & Adersua, 2004). The disadvantaged status of women in the society is the result of complex relationship of differential factors stated above operating in the business environment. The women in business around the world share the need for freedom as motivation for starting business in Europe and Asia (Birley & Westhead, 1994; McElwee & Al-Riyami, 2003; Moore & Buttner, 1997).

## **RESEARCH METHODOLOGY**

The study was conducted in the state of Jammu and Kashmir using a questionnaire. A total of 60 women entrepreneurs engaged in different sectors were selected for the study. Convenience sampling technique was used to identify the women entrepreneurs who took part in this study. The reason for using convenience sampling was lack of availability of data relating to women entrepreneurs in the state of Jammu and Kashmir. The questionnaire used in this study involved two parts; part first measured demographic characteristics such as age, level of education, motivation and characteristics of their firms. The second part measured challenges faced by the women entrepreneurs and factors which can foster entrepreneurial activities in the state of Jammu and Kashmir. The data so collected was analysed using SPSS 16. The data analysis and interpretation was carried out with descriptive statistical analysis based on percentage value.

## **RESULTS AND DISCUSSION**

### **Profile of the Women Entrepreneurs**

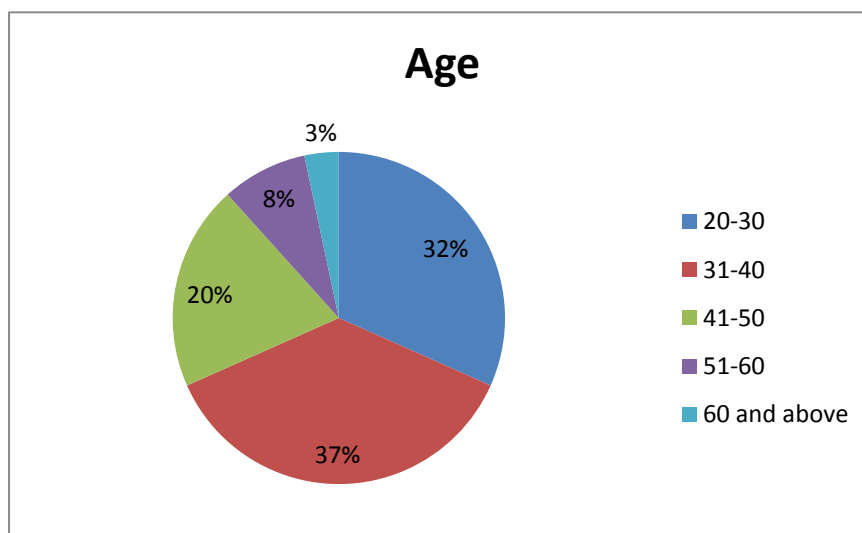
The finding in relation to the age of the women entrepreneurs shows a varied age range, 36.67 percent were in the age group of 31-40 years followed by 20-30 age group as shown by table 1 and figure 1. The findings reveal that the women in Jammu and Kashmir are likely to become entrepreneurs in the middle section of their working life.

In terms of educational qualifications, the finding reveals that 41.67 percent of the women entrepreneurs have obtained college level education and 25 percent have obtained university level (post- graduation) education as shown by table 1 and figure 2. This finding is supported by the research work of Birley et al. (1994) who supported that women entrepreneurs are likely to be as educated as their male counterparts.

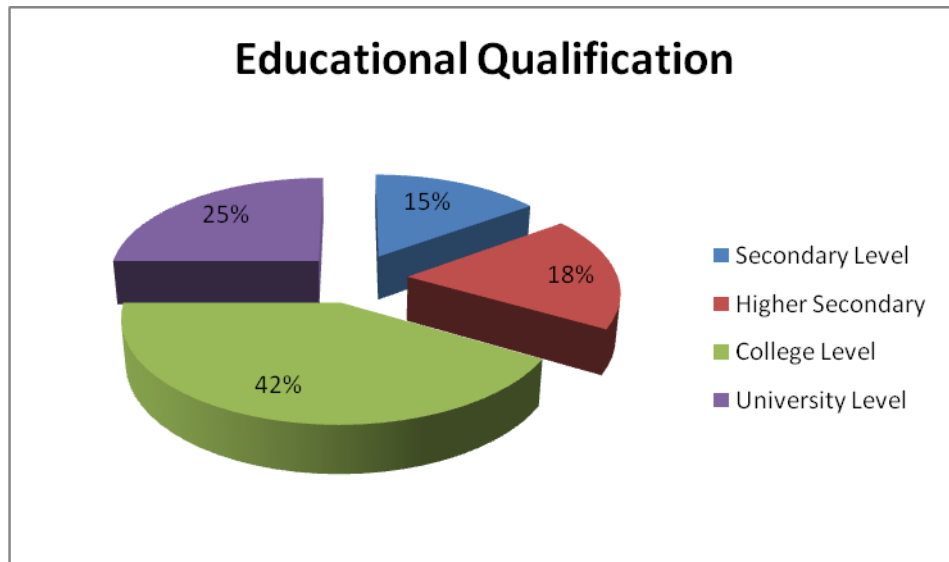
The results in relation to the previous experienced show that 30 percent of the women entrepreneurs have professional experience followed by skilled manual as shown in table 1 and figure 3. The finding also shows that 35 percent of the women were unemployed before taking up entrepreneurship.

**Table 1.** General Profile of the Women Entrepreneurs

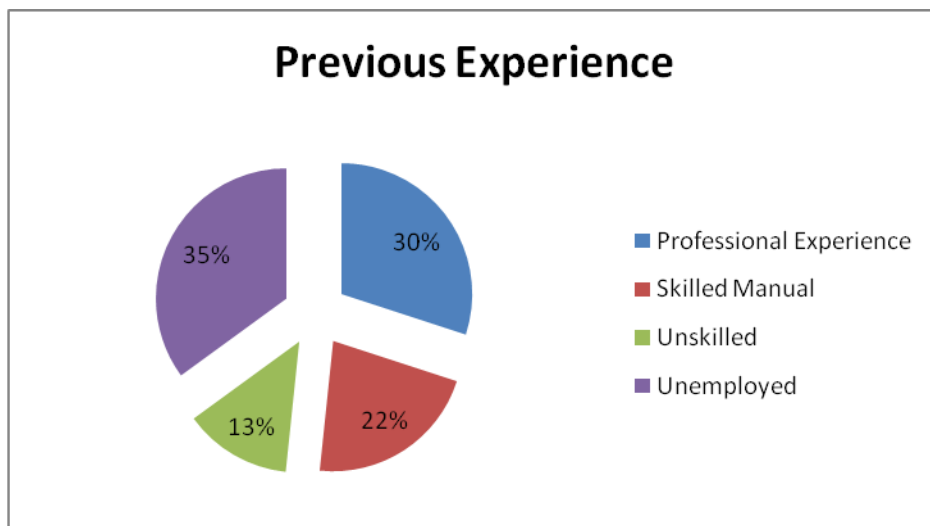
Characteristics	Frequency N=60	Percentages N= 60
<b>Age</b>		
20-30	19	31.67
31-40	22	36.67
41-50	12	20
51-60	5	8.33
60 and above	2	3.33
<b>Educational Qualification</b>		
Secondary Level	9	15
Higher Secondary	11	18.33
College Level	25	41.67
University Level	15	25
<b>Previous Experience</b>		
Professional Experience	18	30
Skilled Manual	13	21.67
Unskilled	8	13.33
Unemployed	21	35



**Figure 1**



**Figure 2**



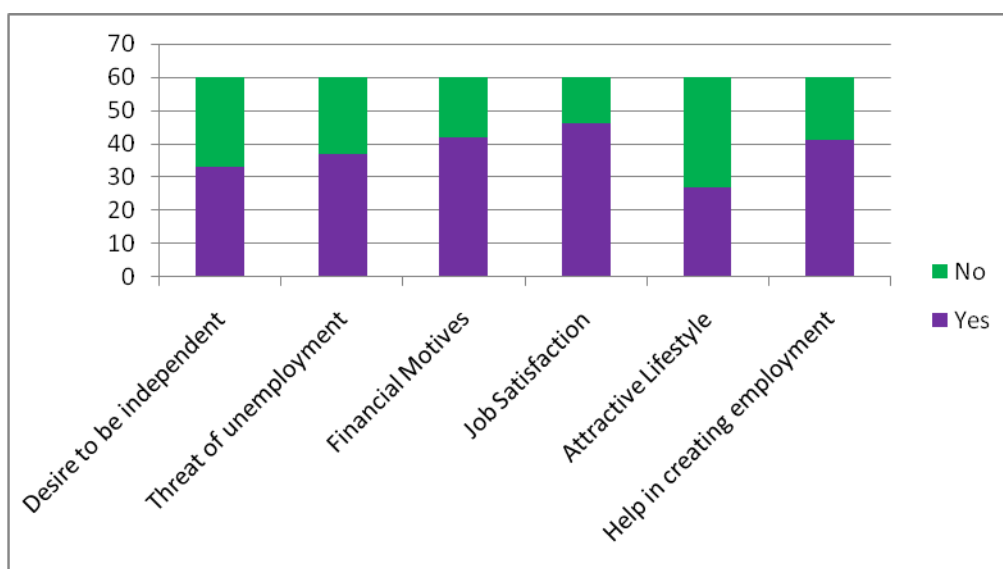
**Figure 3**

**Motivation for Starting the Business Venture**

As indicated by table 2 and figure 4, the most frequently reason mentioned as motivation for starting venture was the need for job satisfaction (76.67 percent) and the financial motives (70 percent). In addition, the results also revealed that many of the women were also motivated to start their own venture as a result of helping others to get employment and threat of their own employment. The women of Jammu and Kashmir start out their own business in order to improve their socio economic status and their family’s standard of living.

**Table 2.** Motivation for Starting the Business Venture

Motivation (Cited more than one factor as motivator)	Frequency N=60		Percentages N= 60	
	Yes	No	Yes	No
Desire to be independent	33	27	55	45
Threat of unemployment	37	23	61.67	38.33
Financial Motives	42	18	70	30
Job Satisfaction	46	14	76.67	23.33
Attractive Lifestyle	27	33	45	55
Help in creating employment	41	19	68.33	31.67



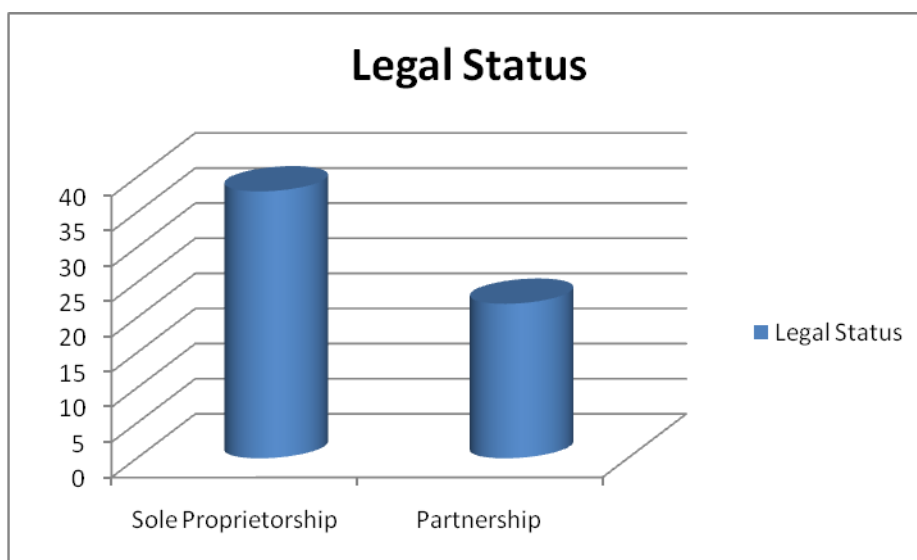
**Figure 4**

**Nature of Women Entrepreneurial Firms**

The results revealed that the majority of the firms were in the informal sector and operated as sole proprietorship representing 63.33 percent as shown by table 3 and figure 5. The women entrepreneurs operated in a wide range of industries, the highest being in wholesale/retail (38.33 percent), followed by horticulture/floriculture (23.33 percent) as shown by table 3 and figure 6. The women entrepreneurs set up their businesses in aspects where they have experience or in activities which they are passionate about. The firms set up by the women entrepreneurs are quite young. Many of the businesses ventures were aged 3-5 years old (30 percent) and 6-8 years (26.67 percent) as shown by table 3 and figure 7 which suggest that the women entrepreneurship is still in its early stages and needs to be promoted further. The size of the firms operated by Jammu and Kashmir women is similar to businesses of women entrepreneurs in other regions. The firm size was measured in terms of number of full time employees. Over half of the businesses surveyed employed upto 20 employees as shown by table 3 and figure 8.

**Table 3.** Profile of firms

Characteristics	Frequency N=60	Percentages N= 60
<b>Legal Status</b>		
Sole Proprietorship	38	63.33
Partnership	22	36.67
<b>Firm Sector</b>		
Agriculture	10	16.67
Horticulture/Floriculture	14	23.33
Manufacturing	7	11.67
Wholesale/Retail	23	38.33
Services	6	10
<b>Firm Age (years)</b>		
Upto 2 years	7	11.67
3-5	18	30
6-8	16	26.67
9-11	14	23.33
12 and above	5	8.33
<b>Number of Employees</b>		
Upto 10	15	25
11-20	17	28.33
21-30	11	18.33
31-40	4	6.67
41-50	6	10
More than 50	7	11.67



**Figure 5**

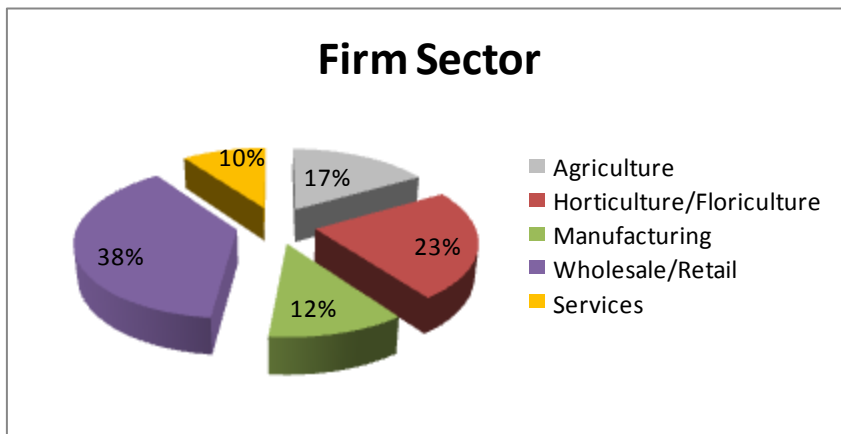


Figure 6

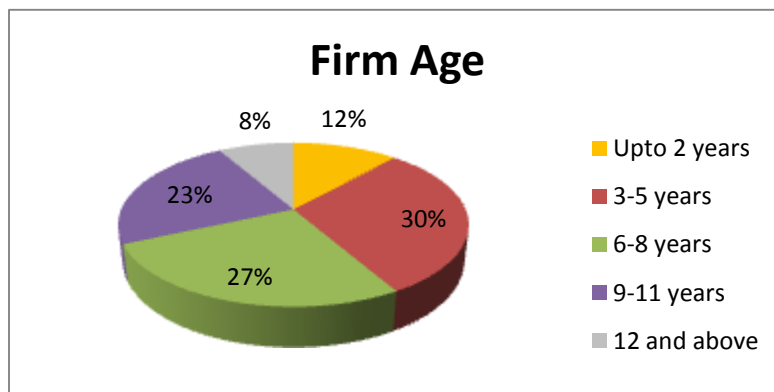


Figure 7

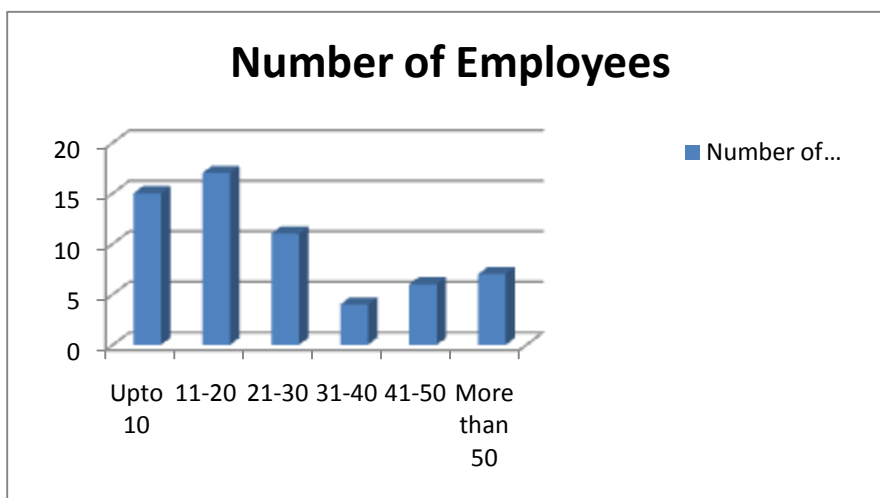


Figure 8



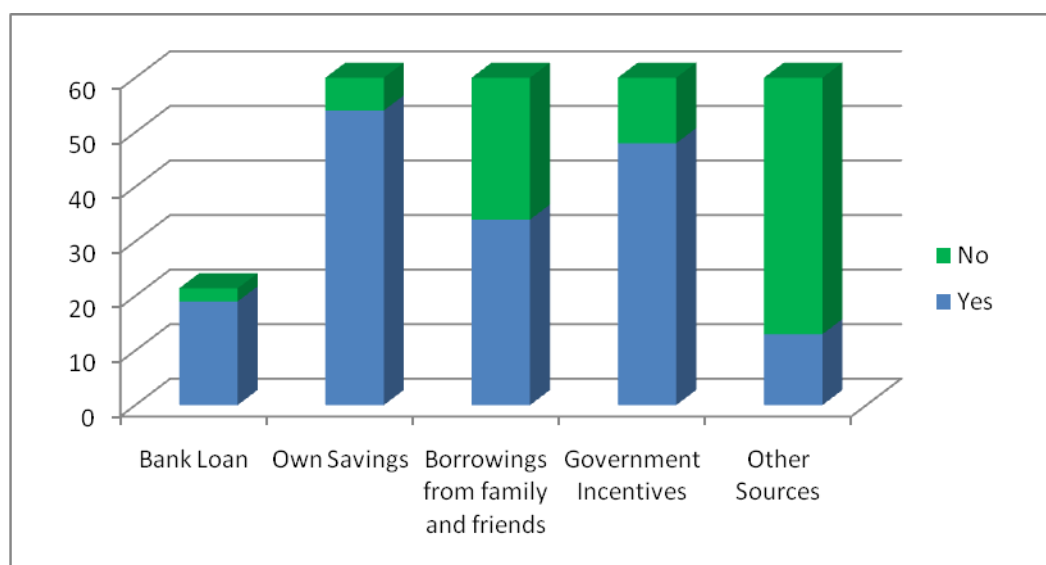
## Source of Start- Up and Working Capital

The financial resources used to establish the business shows that 90 percent of the women entrepreneurs in the survey relied on their own savings for their initial start up capital. The other sources of finance used were government incentives representing 80 percent and borrowings from family and friends (56.67 percent) as shown by table 4 and figure 9. The finding shows that government is doing a lot of work to provide initial start up capital for promoting women entrepreneurship.

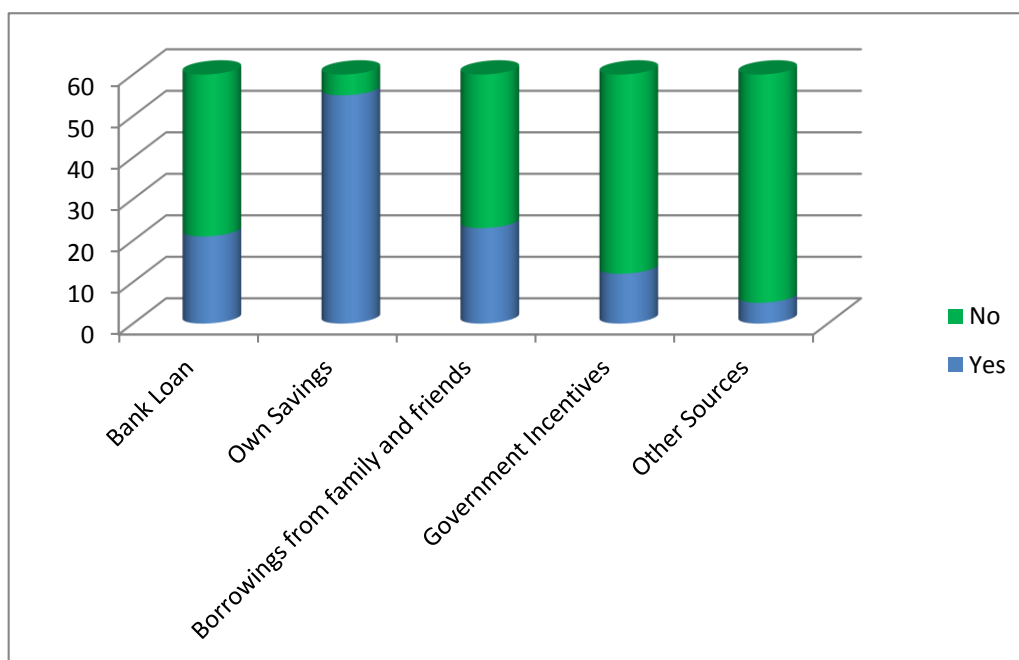
The own savings (91.67 percent) and borrowings from family and friends (38.33 percent) are the major sources of working capital as shown by table 4 and figure 10. The dependence of women entrepreneurs on internal funds can be accredited to their own weak financial base or lack of vital collateral as security for external finance.

**Table 4.** Sources of Finance

Sources of Finance (Cited more than one source)	Frequency N=60		Percentages N= 60	
	Yes	No	Yes	No
<b>Sources of Start-up Capital</b>				
Bank Loan	19	41	31.67	68.33
Own Savings	54	6	90	10
Borrowings from family and friends	34	26	56.67	43.33
Government Incentives	48	12	80	20
Other Sources	13	47	21.67	78.33
<b>Sources of Working Capital</b>				
Bank Loan	21	39	35	65
Own Savings	55	5	91.67	8.33
Borrowings from family and friends	23	37	38.33	61.67
Government Incentives	12	48	20	80
Other Sources	5	55	8.33	91.67



**Figure 9**



**Figure 10**

**Challenges and Prospects of Jammu and Kashmir Women Entrepreneurs**

Although the entrepreneurs face similar challenges and the factors influencing their entry and growth in businesses are more or less similar, but there is evidence in the entrepreneurial literature to suggest that there are vital factors which are intimately related to gender. The surveyed women entrepreneurs were asked to rank the greatest challenges faced by them into three categories. The first category was the challenges they perceived as serious challenge to their ventures, second category was of moderate challenge and the third one was of no challenge. The table 5 shows the categorization of challenges faced by women entrepreneurs.

The finding shows that the most frequently cited challenges of serious nature were corruption of government officials (80 percent), problem with financing (75 percent), erratic electricity schedule (75 percent). The position of women is further worsened by the socio cultural influences of the society and double burden of the roles of wives and mothers. The other significant challenges cited by the surveyed women entrepreneurs included poor quality of roads and inadequate management experience. The state of Jammu and Kashmir has poor roads, poor electricity and as such a lot of money is spent by entrepreneurs on buying fuel to power generators.

**Table 5.** Business Challenges Faced

<b>Business Challenges</b>	<b>Serious Challenge N=60 (%age)</b>	<b>Moderate Challenge N=60 (%age)</b>	<b>No Challenge N=60 (%age)</b>
Political Trends	53.33	30	16.67
Socio Cultural Influences	71.67	20	8.33
Technological Advancements	51.67	31.67	16.67
Lack of Policy for Entrepreneurship	58.33	31.67	10
Corruption of Government Officials	80	13.33	6.67
Government's attitude towards Entrepreneurship	61.67	23.33	15
Problem with financing	75	18.33	6.67
Bank Policy and Bureaucracy	53.33	30	16.67
Problem with bank's attitude towards women	56.67	31.67	11.67
Infrastructure ( Poor Quality of Roads)	73.33	20	6.67
Infrastructure (Erratic Electricity Schedule)	75	18.33	6.67
Ability to delegate authority to staff	45	33.33	21.67
Level of Education	41.67	31.67	26.67
Lack of ability to take calculated risks	61.67	25	13.33
Inadequate management experience	66.67	21.67	11.6

## CONCLUSION

The study has thrown light on the challenges faced by the women entrepreneurs in the Jammu and Kashmir socio economic context. The study implications are applicable to women entrepreneurs in whole of India even though the focus is on women entrepreneurs of Jammu and Kashmir. The women entrepreneurs work in an unfavourable business environment characterised by corruption, infrastructural deficiencies, and financial problems. The women are also constrained by their roles of wives, mothers and business women. In addition, the importance of management experience and ability to take calculated risks are the risks that have been identified by women entrepreneurs in the state of Jammu and Kashmir. In spite of the various constraints affecting start up and growth of business, Jammu and Kashmir has witnessed a steady increase in the number of women entrepreneurs. The weak state of infrastructure of Jammu and Kashmir needs to be addressed and government initiative should be targeted towards women to help them cope with infrastructural deficiencies. Consequently, promotion of women entrepreneurship would bring the level of unemployment down.

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